

# Annual report 1 January - 31 December 2018

Company reg. no. 26 99 53 45

**WoodBois International ApS**

**Høffdingsvej 34**

**2500 Valby**

The annual report was submitted and approved by the general meeting on the 24 June 2019.

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Jacob Hansen  
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## Management's report

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The board of directors and the executive board have today presented the annual report of WoodBois International ApS for the financial year 1 January to 31 December 2018.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Valby, 24 June 2019

### Executive board

Jacob Hansen

Zahid Abbas

### Board of directors

Paul Dolan

Jacob Hansen

Zahid Abbas

# Independent auditor's report

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## To the shareholders of WoodBois International ApS

### Opinion

We have audited the annual accounts of WoodBois International ApS for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter

The company has not complied with the Danish legislation and requirements to prepare transfer pricing documentation (master file and local file), and the management may therefore incur liability.

### The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

## Independent auditor's report

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### **Auditor's responsibilities for the audit of the annual accounts**

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

## **Independent auditor's report**

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

### **Statement on the management's review**

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Glostrup, 24 June 2019

PKF Munkebo Vindelev  
State Authorised Public Accountants  
Company reg. no. 14 11 92 99

Kasper Vindelev  
State Authorised Public Accountant  
mne29389

## Company data

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<b>The company</b>	WoodBois International ApS Høffdingsvej 34 2500 Valby
	Company reg. no. 26 99 53 45 Established: 1 January 2004 Domicile: Copenhagen Financial year: 1 January - 31 December 15th financial year
<b>Board of directors</b>	Paul Dolan Jacob Hansen Zahid Abbas
<b>Executive board</b>	Jacob Hansen Zahid Abbas
<b>Auditors</b>	PKF Munkebo Vindelev, Statsautoriseret Revisionsaktieselskab Hovedvejen 56 2600 Glostrup
<b>Bankers</b>	Nykredit Erhverv, Kalvebod Brygge 47, 1780 København V
<b>Parent company</b>	Argento Limited, Mauritius
<b>Subsidiary</b>	Woodbois Gabon, Gabon

## Financial highlights

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DKK in thousands.	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Profit and loss account:</b>					
Gross profit	3.359	-2.191	7.130	7.205	7.537
Results from operating activities	-1.031	-6.948	3.534	2.537	4.087
Net financials	-5.559	-3.331	-843	-1.376	-166
Results for the year	-7.244	-9.442	2.100	892	2.938
<b>Balance sheet:</b>					
Balance sheet sum	97.035	66.658	65.973	57.125	43.698
Investments in tangible fixed assets represent	0	363	479	225	1.032
Equity	2.096	9.340	18.982	16.882	16.190
<b>Employees:</b>					
Average number of full time employees	5	5	5	5	5
<b>Key figures in %:</b>					
Acid test ratio	133,9	147,0	169,5	104,3	124,9
Solvency ratio	2,2	14,0	28,8	29,6	37,0
Return on equity	-126,7	-66,7	11,7	5,4	19,8

The calculation of key figures and ratios does in all material respects follow the Danish Association of Finance Analysts' recommendations and does only in a few respects deviate from the recommendations.

The key figures appearing from the survey have been calculated as follows:

**Acid test ratio** 
$$\frac{\text{Current assets} \times 100}{\text{Short-term liabilities}}$$

**Equity share** 
$$\frac{\text{Equity, closing balance} \times 100}{\text{Assets in total, closing balance}}$$

**Return on equity** 
$$\frac{\text{Results for the year} \times 100}{\text{Average equity}}$$



## Management's review

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### **The principal activities of the company**

The company's main activity is international trading with wood and wood related products. A larger part of the trading comes from own resources and production compared to previous years.

The company has today 3 main activities; 1) forest production and management, 2) timber and veneers production and 3) timber trading.

All trading with the company's products is done from the company's office in Denmark.

### **Development in activities and financial matters**

The gross profit for the year is DKK 3.359.000 against DKK -2.191.000 last year. The results from ordinary activities after tax are DKK -7.244.000 against DKK -9.442.000 last year. The earnings in financial year 2018 are lower than expected, mainly as a result of a reduction in trade during the year due to limited finance.

### **Special risks**

#### *Exchange rate risks:*

Due to the fact that the majority of sales and purchases are done in foreign currency, the company's results, cash flow and equity are affected by exchange rate fluctuations in a number of currencies, primarily Euro and US Dollar.

### **Environmental issues**

The company's activities are carried out in a manner that accommodates both the internal and external environment. The company complies with the European law on trading with wood (EURT), and furthermore due to the fact that the company is involved in forestry in Gabon, there are currently studies going on to achieve certification on all the company's products to benefit the environment even more than already demanded.

### **Know how resources**

#### *Human resources:*

The company's resources in terms of human resources are sufficient at the current level of activity, but as growth is expected, development in the HR department is also expected. The company aims to keep, attract and develop the best human resources within the line of the company's business.

#### *Product resources:*

The company has sufficient resources to make a positive development in the future. One of the main factors is that the company, at the current level only produces about 1/3 of the achievable level for production from the company's own forest in Gabon.

### **Research and development activities**

The company is studying the best norms of forest operation that will allow future growth and better extraction of the company's wood from the forest.

## **Management's review**

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### **The expected development**

The company expects a loss before tax in the range of t.DKK 500-550 for financial year 2019. The company will again expand in 2019 as the trade finance is deployed. Furthermore, more staff has been employed in certain areas, which is expected to impact the profit in financial year 2019.

## Accounting policies used

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The annual report for WoodBois International ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (medium sized enterprises).

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

No consolidated annual accounts have been prepared, cf. section 112(1) of the Danish Financial Statements Act. The annual accounts of WoodBois International ApS and its group enterprises are included in the consolidated annual accounts for Woodbois Limited, Guernsey, reg. nr. 52184.

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement for the enterprise has been prepared, as the relevant information is included in the consolidated annual accounts of Woodbois Limited.

### Significant errors

The company has per 31 December 2017 inaccurately not written off the consignment stocks.

The error is considered to be so significant, that it has affected the true and fair view of the annual report for financial year 2017.

#### *Amount impact in 2017:*

The correction has affected the profit with DKK 6,373,523 in financial year 2017. The correction has affected the equity negatively with DKK 6,373,523. The correction has affected the balance sheet total negatively with DKK 6,373,523.

#### *Amount impact in 2018:*

The correction has not affected the profit in financial year 2018. The correction has affected the equity negatively with DKK 6,373,523. The correction has affected the balance sheet total negatively with DKK 6,373,523.

### Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

## Accounting policies used

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At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

### **Translation of foreign currency**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

In case the foreign group enterprises and associated enterprises meet the criteria for being independent units, the profit and loss accounts are translated by using an average exchange rate for the period in question, and the balance sheet items are translated by using the closing rate. Differences arising in connection with the translation of the equity of foreign group enterprises at the beginning of the year to the closing rate are recognised directly in the equity. The same goes for differences arising in connection with translation of the profit and loss accounts from average exchange rate to the closing rate.

At recognition of foreign group enterprises which are integrated units, the monetary items are translated by using the closing rate. Non monetary items are translated by using the exchange rate prevailing at the time of acquisition or at the time of the following depreciation or writedown of the asset. The items of the profit and loss account are translated by using the exchange rate prevailing at the date of the transaction. However, items in the profit and loss account deriving from non monetary items are translated by using historical prices.

## Accounting policies used

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Currency adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in the equity. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised in the equity.

### THE PROFIT AND LOSS ACCOUNT

#### Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods, other operating income, raw materials and consumables used and other external costs.

The net turnover is recognised in the profit and loss account when the following conditions are satisfied; risk and ownership is transferred to the buyer, effective control over the goods sold is transferred to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transactions will float to the company and the cost incurred in respect to the transaction can be measured reliably. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains on disposal of intangible and tangible fixed assets.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

#### Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

#### Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to tangible fixed assets respectively.

#### Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

## Accounting policies used

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### Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

### THE BALANCE SHEET

#### Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life and the residual value of the individual assets:

	<i>Useful life</i>	<i>Residual value</i>
<i>Other plants, operating assets, fixtures and furniture</i>	<i>5 years</i>	<i>0%</i>

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

## Accounting policies used

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### **Writedown of fixed assets**

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

### **Financial fixed assets**

#### **Equity investments in group enterprises**

Equity investments in group enterprises are measured at cost. In case the recoverable amount is lower than the cost, writedown takes place to this lower value.

### **Deposits**

Deposits are measured at amortised cost and represent rent deposits, etc.

### **Inventories**

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The cost for manufactured goods and works in progress comprises the cost for raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance of and depreciation on machinery, factory buildings and equipment applied during the production process, and costs for factory administration and factory management. Borrowing costs are not recognised in cost.

## Accounting policies used

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The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

### Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

### Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

### Available funds

Available funds comprise cash at bank and in hand.

### Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

WoodBois International ApS is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, WoodBois International ApS is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Payable and receivable joint taxation contributions are recognised in the balance sheet as "Receivable corporate tax" or "Payable corporate tax".

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

### Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.



## Profit and loss account 1 January - 31 December

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All amounts in DKK.

<u>Note</u>	<u>2018</u>	<u>2017</u>
<b>Gross profit</b>	<b>3.359.410</b>	<b>-2.190.749</b>
1 Staff costs	-3.972.488	-4.357.071
Depreciation and writedown relating to tangible fixed assets	<u>-418.286</u>	<u>-400.132</u>
<b>Operating profit</b>	<b>-1.031.364</b>	<b>-6.947.952</b>
Other financial income from group enterprises	805.683	0
Other financial income	58.311	19
3 Other financial costs	<u>-6.423.398</u>	<u>-3.330.936</u>
<b>Results before tax</b>	<b>-6.590.768</b>	<b>-10.278.869</b>
2 Tax on ordinary results	<u>-653.181</u>	<u>836.698</u>
<b>Results from ordinary activities after tax</b>	<b>-7.243.949</b>	<b>-9.442.171</b>
<b>4 Results for the year</b>	<b><u>-7.243.949</u></b>	<b><u>-9.442.171</u></b>

## Balance sheet 31 December

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All amounts in DKK.

<b>Assets</b>			
<u>Note</u>		<u>2018</u>	<u>2017</u>
<b>Fixed assets</b>			
5	Other plants, operating assets, and fixtures and furniture	738.489	1.156.778
	Tangible fixed assets in total	<u>738.489</u>	<u>1.156.778</u>
6	Equity investments in group enterprises	113.400	113.400
7	Deposits	26.580	17.990
	Financial fixed assets in total	<u>139.980</u>	<u>131.390</u>
	<b>Fixed assets in total</b>	<b><u>878.469</u></b>	<b><u>1.288.168</u></b>
<b>Current assets</b>			
	Raw materials and consumables	30.554.883	17.806.993
	Prepayments for goods	30.234.676	4.948.284
	Inventories in total	<u>60.789.559</u>	<u>22.755.277</u>
	Trade debtors	14.133.246	6.863.785
	Amounts owed by group enterprises	20.611.929	33.979.788
8	Deferred tax assets	0	796.029
9	Receivable corporate tax	190.848	280.000
	Other debtors	0	181.632
10	Accrued income and deferred expenses	73.193	8.995
	Debtors in total	<u>35.009.216</u>	<u>42.110.229</u>
	Available funds	<u>358.254</u>	<u>504.115</u>
	<b>Current assets in total</b>	<b><u>96.157.029</u></b>	<b><u>65.369.621</u></b>
	<b>Assets in total</b>	<b><u>97.035.498</u></b>	<b><u>66.657.789</u></b>

## Balance sheet 31 December

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All amounts in DKK.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2018</u>	<u>2017</u>
<b>Equity</b>			
11	Contributed capital	125.000	125.000
12	Results brought forward	1.970.768	9.214.717
	<b>Equity in total</b>	<b>2.095.768</b>	<b>9.339.717</b>
<b>Liabilities</b>			
	Bank debts	18.987.593	4.612.779
13	Debt to group enterprises	4.156.082	8.241.336
	Long-term liabilities in total	23.143.675	12.854.115
14	Liabilities	10.470.264	4.293.303
	Bank debts	7.837.683	33.154.634
	Prepayments received from customers	7.706.301	3.853.529
	Trade creditors	10.745.664	2.574.010
	Debt to group enterprises	34.510.854	0
	Other debts	525.289	588.481
	Short-term liabilities in total	71.796.055	44.463.957
	<b>Liabilities in total</b>	<b>94.939.730</b>	<b>57.318.072</b>
	<b>Equity and liabilities in total</b>	<b>97.035.498</b>	<b>66.657.789</b>
15	<b>Mortgage and securities</b>		
16	<b>Contingencies</b>		
17	<b>Subordination of debt</b>		
18	<b>Related parties</b>		

## Notes

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All amounts in DKK.

	<u>2018</u>	<u>2017</u>
<b>1. Staff costs</b>		
Salaries and wages	3.820.887	4.198.248
Pension costs	108.000	108.000
Other costs for social security	30.243	33.176
Other staff costs	13.358	17.647
	<u><b>3.972.488</b></u>	<u><b>4.357.071</b></u>
Executive board	<u>2.420.796</u>	<u>2.087.610</u>
Average number of employees	<u>5</u>	<u>5</u>
<b>2. Tax on ordinary results</b>		
Tax of the results for the year, parent company	-142.848	0
Adjustment for the year of deferred tax	796.029	-836.698
	<u><b>653.181</b></u>	<u><b>-836.698</b></u>
<b>3. Other financial costs</b>		
Financial costs, group enterprises	2.574.483	0
Other financial costs	3.848.915	3.330.936
	<u><b>6.423.398</b></u>	<u><b>3.330.936</b></u>
<b>4. Proposed distribution of the results</b>		
Allocated from results brought forward	<u>-7.243.949</u>	<u>-9.442.171</u>
<b>Distribution in total</b>	<u><b>-7.243.949</b></u>	<u><b>-9.442.171</b></u>

## Notes

All amounts in DKK.

	<u>31/12 2018</u>	<u>31/12 2017</u>
<b>5. Other plants, operating assets, and fixtures and furniture</b>		
Cost 1 January 2018	2.112.918	2.247.358
Additions during the year	0	363.058
Disposals during the year	-21.496	-497.495
<b>Cost 31 December 2018</b>	<b><u>2.091.422</u></b>	<b><u>2.112.921</u></b>
Depreciation and writedown 1 January 2018	-956.143	-1.053.506
Depreciation for the year	-418.286	-400.132
Reversal of depreciation, amortisation and writedown, assets disposed of	21.496	497.495
<b>Depreciation and writedown 31 December 2018</b>	<b><u>-1.352.933</u></b>	<b><u>-956.143</u></b>
<b>Book value 31 December 2018</b>	<b><u>738.489</u></b>	<b><u>1.156.778</u></b>
<b>6. Equity investments in group enterprises</b>		
Acquisition sum, opening balance 1 January 2018	113.400	0
Additions during the year	0	113.400
<b>Cost 31 December 2018</b>	<b><u>113.400</u></b>	<b><u>113.400</u></b>
<b>Book value 31 December 2018</b>	<b><u>113.400</u></b>	<b><u>113.400</u></b>

The financial highlights for the enterprises according to the latest approved annual reports

	Share of ownership	Equity	Results for the year	Book value at WoodBois International ApS
Woodbois Gabon, Gabon	100 %	87.763	191.778	113.400
		<b><u>87.763</u></b>	<b><u>191.778</u></b>	<b><u>113.400</u></b>

## Notes

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All amounts in DKK.

	<u>31/12 2018</u>	<u>31/12 2017</u>
<b>7. Deposits</b>		
Cost 1 January 2018	17.990	38.892
Additions during the year	8.590	17.990
Disposals during the year	0	-38.892
<b>Cost 31 December 2018</b>	<u><b>26.580</b></u>	<u><b>17.990</b></u>
 <b>Book value 31 December 2018</b>	 <u><b>26.580</b></u>	 <u><b>17.990</b></u>
 <b>8. Deferred tax assets</b>		
Deferred tax assets 1 January 2018	796.029	-40.669
Deferred tax of the results for the year	-796.029	836.698
	<u><b>0</b></u>	<u><b>796.029</b></u>
 The following items are subject to deferred tax:		
Tangible fixed assets	0	-53.027
Losses brought forward from previous years	0	849.056
	<u><b>0</b></u>	<u><b>796.029</b></u>
 <b>9. Receivable corporate tax</b>		
Receivable corporate tax 1 January 2018	280.000	0
Paid income tax during the financial year	-280.000	0
Calculated corporate tax for the present year	142.848	0
Paid tax on account for the present year	48.000	280.000
	<u><b>190.848</b></u>	<u><b>280.000</b></u>
 <b>10. Accrued income and deferred expenses</b>		
Prepaid insurance	73.193	0
Prepaid rent	0	8.995
	<u><b>73.193</b></u>	<u><b>8.995</b></u>

## Notes

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All amounts in DKK.

	<u>31/12 2018</u>	<u>31/12 2017</u>		
<b>11. Contributed capital</b>				
Contributed capital 1 January 2018	125.000	125.000		
	<u><b>125.000</b></u>	<u><b>125.000</b></u>		
<b>12. Results brought forward</b>				
Results brought forward 1 January 2018	9.214.717	18.656.888		
Profit or loss for the year brought forward	<u>-7.243.949</u>	<u>-9.442.171</u>		
	<u><b>1.970.768</b></u>	<u><b>9.214.717</b></u>		
<b>13. Debt to group enterprises</b>				
<b>Debt to group enterprises in total</b>	<u><b>4.156.082</b></u>	<u><b>8.241.336</b></u>		
Share of liabilities due after 5 years	<u>4.156.082</u>	<u>3.957.375</u>		
<b>14. Liabilities</b>				
	<b>Instalments</b>	<b>Outstanding</b>	<b>Debt in total</b>	<b>Debt in total</b>
	<b>first year</b>	<b>debt after</b>	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
		<b>5 years</b>		
Bank debts	<u>10.470.264</u>	<u>0</u>	<u>29.457.857</u>	<u>8.906.082</u>
	<u><b>10.470.264</b></u>	<u><b>0</b></u>	<u><b>29.457.857</b></u>	<u><b>8.906.082</b></u>

### 15. Mortgage and securities

The company's two cars with a carrying amount of t.DKK 402 have been provided as security for debt to credit institutions of t.DKK 282.

For bank debts, t.DKK 37.188, the company has provided security in company assets representing a nominal value of t.DKK 18.000. This security comprises the below assets, stating the book values:

Inventories	DKK 30.554.883
Receivable from sales and services	DKK 14.133.246
Other plant, fixtures and furniture	DKK 738.489

## Notes

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All amounts in DKK.

### 16. Contingencies

#### Contingent assets

A deferred tax of t.DKK 3.268 has not been recognized in the balance sheet, as it is uncertain, when it can be utilized in future earnings.

#### Contingent liabilities

##### Leasehold liabilities

The company has entered into two leasehold contracts with annual payment of t.DKK 196. The contracts can be terminated with 4 and 6 months' notice. The total outstanding leasehold payment is t.DKK 89.

##### Guarantee commitments

The company has provided a payment guarantee of t.DKK 174.

#### Joint taxation

The company is the administration company of the group of companies subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The liability relating to corporation tax represents an estimated maximum of t.DKK 0.

### 17. Subordination of debt

Debt to group companies of DKK 31,436,702 is subordinated to the company's existing and future creditors.



## Notes

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All amounts in DKK.

### 18. Related parties

#### Controlling interest

Argento Limited Majority shareholder  
Le Caudan Waterfront  
Caudan Port Louis  
Mauritius

#### Other related parties

Woodbois Limited Ultimate parent company  
P.O. Box 161, Dixcart House, Sir William Place  
St. Peter Port  
Guernsey  
GY1 1GX

#### Transactions

Information is only provided on transactions with related parties that have not been made on an arm's length basis.

Remuneration for the management is specified in note 1 (staff costs).

	<u>2018</u>	<u>2017</u>
Payable without accrual of interest	0	-8.241.336
Receivable without accrual of interest	0	33.979.788

#### Consolidated annual accounts

The company is included in the consolidated annual accounts of Woodbois Limited, P.O. Box 161, Dixcart House, Sir William Place, St Peter Port, Guernsey, GY1 1GX.

The foreign parent's consolidated financial statements can be obtained on the website [www.woodbois.com](http://www.woodbois.com)